

Message Text

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C O N F I D E N T I A L STATE 105132

FOR ROBERT ROSENSTOCK, US LEGAL DIVISION ONLY

FOLLOWING TEL SENT ACTION SECSTATE INFO GUATEMALA, MANAGUA,
PANAMA, SAN SALVADOR, TEGUCIGALPA FROM SAN JOSE MAY 05:

QUOTE C O N F I D E N T I A L SAN JOSE 1965

E.O. 11652: GDS

TAGS: PFOR, CS

SUBJECT: FIGUERES' QUOTES THAT VESCO FINANCED 1974 ODUBER CAMPAIGN
CAUSE POLITICAL FUROR

BEGIN UNCLASSIFIED

1. SUMMARY: EX-PRESIDENT FIGUERES' DECLARATION IN
NEW REPUBLIC INTERVIEW THAT ROBERT VESCO HELPED FINANCE
PRESIDENT ODUBER'S 1974 CAMPAIGN AND THAT OF VARIOUS
ASSEMBLY DEPUTIES HAS ROCKED THE GOVERNMENT PARTY (PLN).
AS IS HIS CUSTOM WHEN FIGUERES DIGS AT HIS RIVALS IN HIS
OWN PARTY, FIGUERES CLAIMS HE WAS MISUNDERSTOOD. ODUBER,
CITING FIGUERES' DISCLAIMER, HAS AVOIDED COMMENT.
PLN LEADERS HAVE DONE LIKEWISE, THOUGH
SOME KEY PARTY DEPUTIES HAVE CATEGORICALLY DENIED ALLE-
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GATION OF VESCO TIE-IN. OPPOSITION HAS REACTED STRONGLY,
AND IS PREPARING TO HAVE A FIELD DAY.

2. A POLITICAL FIRESTORM IS RAGING IN COSTA RICA
FOLLOWING LOCAL PUBLICATION OF REMARKS BY EX-PRESIDENT
JOSE FIGUERES IN A US MAGAZINE ABOUT ROBERT VESCO'S
FINANCING PART OF THE 1974 ODUBER PRESIDENTIAL

CAMPAIGN. LEADING DAILY LA NACION PUBLISHED ON MAY 5 COMPLETE, TRANSLATED TEXT OF APRIL 23 ISSUE OF NEW REPUBLIC'S INTERVIEW OF FIGUERES WHICH CONTAINED THAT AND OTHER POLITICAL BOMBSHELLS. PREVIOUSLY PUBLISHED PARTS OF THIS INTERVIEW RE FIGUERES-CIA RELATIONS (SAN JOSE 1713) HAVE BEEN ECLIPSED BY FIGUERES' MATTER-OF-FACT REVELATION THAT VESCO MONEY WAS USED TO FINANCE THE ODUBER CAMPAIGN AND THE CAMPAIGNS OF A NUMBER OF NATIONAL ASSEMBLY DEPUTIES. INITIAL REACTION IN GOVERNMENT PARTY PLN HAS BEEN DENIAL, CONSTERNATION, AND OUTRAGE. OPPOSITION, UNDERSTANDABLY, IS IN GLEE.

3. THE FIRST TO RESPOND TO THE PUBLISHED PARTS OF THE INTERVIEW WAS JOSE FIGUERES. EXPRESSING SURPRISE AT WHAT WAS PRINTED, DON PEPE TOLD PRO-PLN DAILY EXCELSIOR MAY 4 THAT THE INTERVIEW CONTAINED MANY INACCURACIES. FIGUERES SPECULATED THAT NEW REPUBLIC POLITICAL EDITOR KEN BODE'S LACK OF FAMILIARITY WITH HIM CAUSED THAT INTERVIEWER TO TAKE DON PEPE'S JOKES SERIOUSLY OR SIMPLY TO MISINTERPRET FIGUERES' WORDS. FIGUERES STATED THAT HE WILL RELEASE A PRINTED COMMENTARY ON THE ARTICLE SHORTLY. FIGUERES ALSO TOOK CARE NOT TO CRITICIZE THE NEW REPUBLIC; HE CALLED IT A "VERY OLD, ACCREDITED, AND SERIOUS PUBLICATION."

4. PRESIDENT ODUBER RELEASED A TERSE STATEMENT TO THE MEDIA MAY 4. REFERRING TO FIGUERES' STATEMENT THAT HIS REMARKS WERE MISCONSTRUED, ODUBER DECLARED HE HAD SENT A LETTER TO THE NEW REPUBLIC ABOUT THE CONFIDENTIAL

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DIFFERENT THEMES IN THE ARTICLE, ADDING THAT HE HOPED IT WOULD BE PUBLISHED. HE DID NOT ELABORATE ON THE CONTEXT OF THE LETTER INDICATING, HOWEVER, THAT HE WOULD COMMENT ON EACH THEME AFTER HIS LETTER IS PUBLISHED. (ACCORDING TO A MAY 5 ACAN-EFE DESPATCH ORIGINATING IN SAN JOSE, ODUBER HAS ALSO DENIED THAT VESCO FUNDS WERE USED IN HIS CAMPAIGN.)

5. MANY PLN LEADERS HAVE BEEN GUARDED IN THEIR PUBLIC REMARKS. MOST HAVE DECLARED IT PREMATURE TO COMMENT IN LIGHT OF FIGUERES' CLAIMS OF INACCURACIES AND MISINTERPRETATION. SOME PROFESS IGNORANCE AND REFUSE COMMENT. OTHERS HAVE EXPRESSED OUTRAGE, FLATLY DENYING ANY RELATIONSHIP WITH VESCO. NOTABLY, THE LATTER INCLUDE THE YOUNGER BREED OF PLN POLITICIANS WHO DO NOT FEEL BEHOLDEN TO FIGUERES--NEWLY-ELECTED ASSEMBLY PRESIDENT ELIAS SOLEY SOLER, AND DEPUTIES JOSE MIGUEL CORRALES BOLANOS AND ROLANDO ARAYA MONGE.

6. MEDIA COMMENTARY SO FAR HAS BEEN STRONG WITH T.V. AND RADIO COVERAGE OF THE STORY THE MOST EXTENSIVE. LEADING DAILY LA NACION INNVS LEAD EDITORIAL MAY 5 FOCUSED ON FIGUERES' STATEMENTS CONCERNING CORRUPTION IN GOVERNMENT. DON PEPE'S REMARKS "DISCUSS THE MOST PAINFUL AREA OF COSTA RICAN POLITICAL LIFE THE LAST TEN YEARS," LA NACION DECLARED, NMDDING THAT THEY CALL INTO QUESTION THE MOTIVES BEHIND THE ENTIRE ECONOMIC (AND SOCIAL WELFARE) PROGRAM OF THE GOVERNMENT. "IT IS NO LONGER POSSIBLE TO REMAIN SILENT," THE EDITORIAL CONCLUDE, "BECAUSE AFTER THOSE CRYPTIC CHARGES, THE COSTA RICAN PUBLIC WILL DEMAND A FRANK ACCOUNT OF AND A PROFOUND CHANGE IN ALL LEVELS OF PUBLIC ADMINISTRATION." MORNING DAILY LA REPUBLICA REFERRED TO FIGUERES' DECLARATION WITH RELATION TO A LEGAL SUIT BROUGHT AGAINST THE PAPER (FOR CALUMNY) BY VESCO. CONFIDENTIAL

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7. FIRST COMMENTS FROM THE POLITICAL OPPOSITION HAVE ALSO BEEN STRONG. DEPUTIES MIGUEL ANGEL QUESADA NINO AND ALVARO CHEN LAO TOLD PRENSA LIBRE MAY 4 THAT, IN LIGHT OF DON PEPE'S DECLARATIONS ON VESCO ELECTION CAMPAIGN CONTRIBUTIONS, PRESIDENT ODUBER SHOULD MAKE GOOD ON HIS PROMISE TO EXPEL ROBERT VESCO FROM COSTA RICA, IF VESCO EVER ENGAGED IN ILLEGAL ACTIVITIES HERE. (IT IS ILLEGAL FOR A FOREIGNER TO PARTICIPATE IN COSTA RICAN INTERNAL POLITICS). QUESADA ADDED THAT SINCE THE PRESIDENT OF THE PLN, FIGUERES, HAS STATED THAT VESCO PARTICIPATED IN THEN PLN PRESIDENTIAL CANDIDATE DANIEL ODUBER'S ELECTION CAMPAIGN, ODUBER SHOULD RESIGN THE PRESIDENCY AS WELL.

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8. COMMENT: THE POPULAR VIEW OF ALL OF THIS IS THAT "FIGUERES HAS DONE IT AGAIN." IN ONE FELL SWOOP HE HAS CAUSED INTERNAL POLITICAL TURMOIL IN HIS PARTY, WHICH IS NOW CONTROLLED BY HIS RIVALS DANIEL ODUBER AND LUIS ALBERTO MONGE, AND HAS LET THE PARTY AND COSTA RICA KNOW THAT HE STILL CONSIDERS HIMSELF A FORCE TO BE RECKONED WITH.

9. THE OPPOSITION IS STILL REELING FROM THE FIGUERES REVELATION. THE QUOTES COULD NOT HAVE BEEN BETTER SERVED UP TO THEM FOR USE IN A CAMPAIGN IN WHICH PLN CONTINUITY IN POWER, WITH CORRUPTION AND VESCO AS THE CENTERPIECES, ARE THE ISSUES. KILDAY UNQUOTE CHRISTOPHER

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